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Canada. Task force on Agriculture
Canadian agriculture in the seventies;
a submission on the Agricultural Task Force
Report by the Nova Scotia Dept. of Agriculture
and Marketing. 1970.

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CANADIAN AGRICULTURE IN THE SEVENTIES :

A Submission on the
Agricultural Task Force Report

By the

Nova Scotia Department of Agriculture and Marketing

November 1970



CANADIAN AGRICULTURE IN THE SEVENTIES

1. The Nova Scotia Department of Agriculture and Marketing take this opportunity to present their viewpoint on the Agricultural Task Force Report. It is unfortunate, however, that such a submission must be made without the full benefit of discussions and study of farmers and are thus presented without the opportunity to subject these evaluations to full debate.

2. The problems facing the Task Force in fulfilling their terms of reference were enormous. Canada consists of many different regions separated not only by geographical distance and difference, but shaped also by a whole series of widely varying political, economic, historical, climatic, and other factors. The report, therefore, had to reconcile two somewhat mutually exclusive goals; on the one hand, to attempt a rationalization of the strategy of agricultural policy to reconcile it with national goals, and on the other, to suggest solutions which would be applicable to the wide variety of conditions under which Canadian farmers operate. Beyond the stage of very broad generalizations, this must inevitably produce real or apparent conflicts of interest within the industry, a situation of which the farming community is only too well aware.

In another way, the very comprehensive nature of the report was bound (unless the report was to run to several thousand pages) to produce a very substantial degree of encapsulization firstly in the outlining of the intended solutions, and more markedly in the exposition of the lines of reasoning which lead to those conclusions. Thus, while the report is generally agreed to be an

impressive document notable for the advanced and innovative ideas propounded in it, to the farming community - from producer to policy-maker - it leaves a wide range of questions which will need to be answered before they can give the report the close study it undoubtedly deserves.

It is hoped, therefore, that the Task Force Report will not be regarded as the last and immutable word on agricultural policy, but more as an advanced base-line from which will stem a whole series of wide-ranging discussion in which the Canadian Agricultural Industry will be able to come to grips with and reconcile its own potentials, prospects, and needs in an advanced and rapidly changing industrial society.

3. Within the Maritimes, there has, over recent years, been an increased realization of the area's problems arising from distance to Canadian centres of population and consumption, and also the growing potential for the exploitation of the world's greatest concentration of population on the U.S. Eastern seaboard. The Task Force recommendations for the greater penetration of this market of potatoes and apples are particularly appropriate in these circumstances. However, to fulfill these objectives, assistance and incentives are required along the following lines:

(a) The creation of a Maritime-based marketing expertise specifically oriented to the penetration of the United States market.

(b) A survey of the feasibility of the use of existing military airfields for the export of agricultural and horticultural produce.

(c) A review of rail transportation tariffs to establish rational rates from centres of production to ports of export.

(d) Development of an export infrastructure which would place the potential benefits firmly within the hands of Canadians.

4. The whole question of agricultural adjustment in the 1970's -- whether in terms of particular commodities, or specific areas -- cannot be divorced from the question of transportation. Available markets are not opportunities unless transport facilities and services are available to penetrate these markets. While transportation facilities may be (more or less) adequate in more traditional, high-production areas, they have been far from adequate into and within the Atlantic region. Comparative advantage in agricultural production can be meaningful only in an environment of equitable transportation costs and facilities.

Thus, the Report of the Agricultural Task Force has not devoted sufficient attention to the subject of transportation, tariffs and facilities for agricultural transport in the Atlantic region; and specifically in Nova Scotia.

This Department has repeatedly stressed this problem in relation to increasing railway tariffs; lack of railway service to the U.S.A.; inadequate air transport capabilities; short-comings in ferry services; insufficient ocean transport from our major seaport; and existence of a system of agreed railway charges where distance bears little relationship to charges.



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We submit that high cost of transport is the root cause of much of the controversy over feed grain transportation in Nova Scotia. And we submit that making basically correct policy decisions in advance of and in isolation from needed adjustment in transportation is as wrong as making incorrect policy decisions in the first instance.

We would request a full and practical study of this situation prior to making other policy changes which would otherwise react unfavourably on existing and potential agricultural development within Nova Scotia. Action to overcome existing transport deficiencies, based on such a study, is a prerequisite to further development of agriculture in Nova Scotia.

5. The recommendations of the report concerning F.F.A. are essentially a package deal involving freedom of entry of American grain, modification of present pricing policies and freight rates, and a phasing out of F.F.A. payments. Without questioning the basic validity that this would produce a situation advantageous to the farming industry as a whole, it still leaves many questions unanswered. Our concerns over these proposals are:

(a) How soon could free trade in grains be accomplished; international negotiations over tariffs are typically complex and drawn-out and there is every reason to believe that this adjustment could not be made overnight.

(b) Modification of pricing policies pursued by the Wheat Board would not remove transportation cost differentials between Central Canada and the Maritime area. This is a central issue for those livestock feeders who must compete with their products on Eastern Canadian markets.

(c) Considerable doubt exists as to whether re-negotiation of existing freight rates could result in much reduction; agreed charges on grain are already low and the chances of further reduction appear slight.

(d) The F.F.A. policy appears to have been regarded as a major constraint to some developments, particularly a greater self-sufficiency in grains for the Maritimes. This argument is fallacious in that expected higher grain prices which might result from its abolition could not be absorbed by the livestock sector without severe contraction; the potential market would therefore disappear. On the other hand, the supposition that F.F.A. is unnecessary as self-sufficiency is just around the corner is self-defeating in that if its true, then the need for F.F.A. will be self-liquidating. If budgetary constraints are paramount, there would seem little objection in setting limits based both on historical patterns of use and increasing local production which would eliminate what would seem to be the only valid fear over the policy - that it is being used as an unnecessary prop for the livestock industry to the detriment of a local grain sector.

(e) The question of F.F.A. must be looked at in a historical perspective. It has been pursued for almost thirty years and has produced some very definite changes in the farming pattern in the Maritimes which cannot be written off without very careful thought to the consequences. Specifically, the wisdom of placing in jeopardy jobs and investments over a very large sector of the agri-business field would seem at complete variance with the efforts of regional development policies aimed precisely at these objectives.

(f) These proposed changes in policy must be evaluated as a "package" and their combined effects on price determined before instituting any such change.

6. The Department supports the principle of increased grain production in this province. In order to increase this production, it will be necessary to change acres of forest land to grain land. This program will require the continued assistance of government. While this program will bring additional land into agriculture and appears contra to the spirit of the Task Force Report, it is necessary in order to increase livestock feed output. The Department would chose to move along a line of agricultural adjustment which would assist the increased expansion of local livestock feed grain production, adjustment of land use, and providing the infra-structure for a local grain industry. A continual evaluation of this program will indicate to what extent the province will need to depend upon imports of grain: If the livestock industry expands, it may well be that increased grain output will be utilized in the expansion program and there will be a continued need for outside sources of grain.

7. This Department supports the Task Force recommendations for increased beef production in Canada. At the same time, Nova Scotians wish to retain an opportunity for sharing in this expansion. In this province, beef production can be expanded only through increasing local production of feed -- and particularly corn. And this must means an expanded land use adjustment program for Nova Scotia -- one tailored to the specific needs of a corn-based beef feedlot technology.

8. The Department expresses concern over the possible consequences of a National Marketing Board on producers of agricultural products in a deficit area such as Nova Scotia. We believe the general principle enunciated in the report on a National Board can be beneficial where there are provincial boards on specific commodities. We believe that provinces such as Nova Scotia who are in a stage of expanding their agricultural output in many commodities should not be restricted by quotas which would prohibit adjustments in the industry. We would submit that producers in this province should not be denied any opportunity to produce for a market which may exist for any product in this province.

9. The Department feels the development of provincial farm credit policies has proven to be one of the most significant factors in the development of Nova Scotia agriculture. The Department strongly supports the idea of a provincially operated credit agency with power to establish the farm credit policy for an area. The Department would support the general recommendations on farm credit on the assumption that the provincial schemes may be designed to meet the unique situations of this province. Again, we would state that one of the objectives of a Nova Scotia farm credit scheme would be to provide the financing for an expanded agriculture.

10. The Department would encourage the further investigation with the objective of establishing a Rural Development Credit Agency. This Agency should be under the control of agricultural departments.

11. The Department has, in recent years, assumed a broader role than service to commercial agriculture. We would recommend that policies and programs affecting rural development in general be co-ordinated through the Provincial Department. We believe that greater advances can be made with the low income sector of agriculture if specialized extension programs can form a phase of the total extension effort. Resource development and farm adjustment should be guided by provincial agricultural departments. This Department has already initiated a rural adjustment program and additional agencies in the province may only confound existing policies and programs. This Department would emphasize the continued need for both manpower and resource development programs and the continuation and expansion of the ARDA type programs will be necessary to bring about the required adjustments in resource use in rural Nova Scotia.

